

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE OF
BUSINESS
ECONOMICS

FOR IMMEDIATE RELEASE FRIDAY, MARCH 14, 1969

OBE 69-11

Lawrence Bridge: 967-3274

MANUFACTURING AND TRADE:
INVENTORIES AND SALES - JANUARY 1969

Business inventories as a whole were unchanged in January, after average monthly increases of more than \$1 billion during the fourth quarter of 1968, the Commerce Department's Office of Business Economics announced today. Small increases by manufacturers and retailers -- less than \$100 million each -- were about offset by a cut in stocks held by merchant wholesalers.

Combined business sales rose 1-1/2 percent in January, recouping the 1-1/2 percent drop the month before. The \$100 billion January sales total about matched last November's record.

With sales up sharply and inventories unchanged, the ratio of stocks to sales fell to 1.54 in January from 1.56 in December. In January 1968, stocks were equivalent to 1.55 months of sales.

All figures in the text of this report are adjusted for seasonal variation. The retail sales figures reflect the just-completed Census Bureau revision of seasonal and trading day factors.

Trade stock movements mixed

Retailers of durable goods added \$160 million to their inventories in January. Automotive dealers accounted for all of the rise; changes for others in the group were small.

Nondurable goods retailers reduced stocks by about \$75 million, with minor increases for department, apparel, and food stores outweighed by declines for other nondurable goods establishments.

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Merchant wholesalers cut their holdings by \$130 million, following an increase of about the same amount in December. Most of the January decline was reported by wholesalers of nondurables.

Manufacturers' inventory changes

Producers of durable goods added about \$200 million to stocks in January, less than half the December accumulation. Most of the January expansion occurred among nonelectrical machinery and transportation equipment companies; electrical machinery and metals companies reduced inventories.

Much of the January rise in durable goods holdings was offset by a \$140 million decline in nondurables, the first reduction for the latter group in more than a year. All of the major nondurable goods industries except paper and chemicals reported inventory cuts.

Sales rise sizably

Sales of both manufacturers and retailers, after declining in December, rose almost 2-1/2 percent in January to new highs. Merchant wholesalers, however, more directly affected by the dock strike, reported a sales drop of 3 percent -- 2 percent for durable goods and 4 percent for nondurables.

For durable goods retailers, sales rose 2-1/2 percent after a decrease of 1 percent in December. Boosts of 2 to 3 percent for all major lines contributed to the rise.

Retailers of nondurables also reported a 2-1/2 percent sales gain, following a 2 percent reduction in December. Except for department stores, whose sales were down 1-1/2 percent from the previous month, all major types of business reported increases; these ranged from 1 percent for eating and drinking places to 6 percent for apparel stores.

The advance retail sales report showed February unchanged from the high January rate, with a 1 percent decline in durables offsetting a 1 percent rise in nondurables.

Manufacturers' sales and orders

Sales by producers of durable goods rose 5 percent in January to a new peak, following 2 months of lowered sales. Increases occurred for all major industries, in contrast with widespread declines the month before.

Sales of nondurable goods firms, which had held relatively steady in late 1968, slipped 1 percent in January as a result of small decreases for most major industries.

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New orders received by manufacturers in January were slightly below the December level, as a 1 percent decline for nondurables offset a small rise for durables.

Among the durables, a drop of 15 percent in orders for fabricated metals together with smaller decreases for electrical machinery and aircraft were more than compensated for by gains for other industries, especially primary metals, stone, clay, and glass and nonelectrical machinery.

Unfilled orders rose about \$200 million in January as compared with \$1.6 billion in December. Moderate gains for most durable goods industries were partly offset by declines in the unfilled orders of fabricated metals and electrical machinery firms.

Since the rise in unfilled orders was considerably less than the increase in sales, the ratio of unfilled orders to sales fell -- to 2.68 in January from 2.78 in December and 2.80 in January 1968.

Details of sales and inventories are given in the accompanying table.

Additional data appear in the statistical pages of the Survey of Current Business, monthly publication of the Office of Business Economics.

The Survey of Current Business is available from field offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402, at an annual subscription price of \$9, including weekly supplements; single copy, \$1.

TABLE 1.--TOTAL MANUFACTURING AND TRADE

(Billions of dollars)

| | Unadjusted | | | Seasonally adjusted | | | First month | |
|-------------------------|------------|------------------|------------------|---------------------|------------------|------------------|-------------------|-------------------|
| | 1968 | | 1969 | 1968 | | 1969 | 1968 ^r | 1969 ^p |
| | Jan | Dec ^r | Jan ^p | Nov ^r | Dec ^r | Jan ^p | | |
| <u>SALES</u> | | | | | | | | |
| TOTAL..... | 86.38 | 103.20 | 93.15 | 100.14 | 98.67 | 100.02 | 93.18 | 100.02 |
| Manufacturing..... | 45.42 | 50.20 | 49.41 | 52.55 | 51.49 | 52.75 | 48.45 | 52.75 |
| Durable..... | 25.14 | 27.65 | 27.22 | 28.79 | 27.74 | 29.21 | 26.92 | 29.21 |
| Nondurable..... | 20.28 | 22.55 | 22.19 | 23.76 | 23.75 | 23.54 | 21.52 | 23.54 |
| Retail..... | 24.09 | 34.09 | 26.28 | 28.81 | 28.35 | 29.03 | 27.04 | 29.03 |
| Durable..... | 7.52 | 9.68 | 8.37 | 9.31 | 9.24 | 9.48 | 8.58 | 9.48 |
| Nondurable..... | 16.58 | 24.41 | 17.91 | 19.49 | 19.11 | 19.55 | 18.46 | 19.55 |
| Merchant wholesalers... | 16.86 | 18.92 | 17.46 | 18.79 | 18.83 | 18.23 | 17.69 | 18.23 |
| Durable..... | 7.36 | 8.43 | 8.04 | 8.76 | 8.73 | 8.58 | 7.89 | 8.58 |
| Nondurable..... | 9.50 | 10.49 | 9.42 | 10.02 | 10.10 | 9.66 | 9.80 | 9.66 |
| <u>INVENTORIES</u> | | | | | | | | |
| TOTAL..... | 143.31 | 152.19 | 153.07 | 152.94 | 153.86 | 153.88 | | |
| Manufacturing..... | 83.20 | 88.24 | 88.92 | 87.95 | 88.58 | 88.64 | | |
| Durable..... | 53.46 | 57.03 | 57.54 | 56.95 | 57.42 | 57.63 | | |
| Nondurable..... | 29.74 | 31.20 | 31.39 | 30.99 | 31.16 | 31.02 | | |
| Retail..... | 38.43 | 41.35 | 41.54 | 42.49 | 42.66 | 42.74 | | |
| Durable..... | 17.49 | 18.85 | 19.58 | 19.36 | 19.46 | 19.62 | | |
| Nondurable..... | 20.94 | 22.50 | 21.96 | 23.13 | 23.20 | 23.12 | | |
| Merchant wholesalers... | 21.68 | 22.60 | 22.60 | 22.50 | 22.62 | 22.50 | | |
| Durable..... | 12.24 | 13.24 | 13.24 | 13.33 | 13.45 | 13.43 | | |
| Nondurable..... | 9.44 | 9.36 | 9.37 | 9.17 | 9.17 | 9.07 | | |

TABLE 2.--RETAIL INVENTORIES

(Billions of dollars)

| <u>KIND OF BUSINESS</u> | | | | | | |
|-------------------------|-------|-------|-------|-------|-------|-------|
| TOTAL..... | 38.43 | 41.35 | 41.54 | 42.49 | 42.66 | 42.74 |
| Durable..... | 17.49 | 18.85 | 19.58 | 19.36 | 19.46 | 19.62 |
| Automotive..... | 7.84 | 8.76 | 9.39 | 9.12 | 8.92 | 9.10 |
| Furniture-appliance.. | 2.81 | 3.03 | 3.01 | 3.02 | 3.14 | 3.14 |
| Lumber-hardware..... | 2.64 | 2.80 | 2.84 | 2.80 | 2.90 | 2.91 |
| Nondurable..... | 20.94 | 22.50 | 21.96 | 23.13 | 23.20 | 23.12 |
| Apparel..... | 4.01 | 4.54 | 4.40 | 4.69 | 4.76 | 4.81 |
| Food..... | 4.25 | 4.51 | 4.54 | 4.56 | 4.49 | 4.55 |
| General merchandise.. | 8.31 | 9.24 | 8.92 | 9.62 | 9.81 | 9.65 |
| Department stores.. | 4.64 | 5.29 | 5.10 | 5.34 | 5.58 | 5.60 |

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